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SUBJECT: MEDIA REACTION: Financial Crisis, Economic, EU-Russia,  
U.S.-Afghanistan, U.S.-EU, Mideast, Obama, Congo, Burma

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¶1. Lead Stories Summary

Editorials focused on the debate over Germany's future nuclear storage site, the debate over the suspension of the vehicle tax for new cars, and the controversy among the CDU/CSU and the SPD on a proposed reform of the inheritance tax. ZDF-TV's early evening newscast Heute and ARD-TV's early evening newscast Tagesschau opened with reports on the transport of nuclear waste to the storage site at Gorleben.

¶2. (Economic) Financial Crisis

Frankfurter Allgemeine Zeitung noted: "The strong growth of the finance sector reflects the fact that the prosperity of many nations increased over the past few years. But in this context an uncontrolled growth has taken place. Now the time for politicians has come who want to give global growth a new structure. It is now necessary to create a framework of rules for a globalized finance industry."

Financial Times Deutschland opined: "The financial crisis is not an industrial accident caused by human failure but a systematic crisis of the global economy. We will not resolve this problem by adopting tougher rules and by taking revenge on individual actors. The attempts to do this are part of the great mistakes of the modern economic policy for which we will have to pay dearly."

¶3. (Economic) U.S. Car Industry Problems

According to Financial Times Deutschland, "Barack Obama entered the

election campaign with the main promise to break the old backroom policies that have prevailed in Washington. If he does not want to forfeit his reputation...he should not accept the deal that President Bush suggested with the approval of a controversial approval of trade agreement with Colombia in return for the support the automobile bailout package. This is all the more true because the bailout package for U.S. car industry does not focus on a question that can be offset with an individual trade agreement. Such far reaching decisions should not be made in backrooms. "

Sueddeutsche Zeitung argued: "President Bush was right: there are too many car producing plants in the United States. They can be preserved only by producing energy-efficient, fuel-saving cars for prices that the consumer can afford. That is why the money package from Washington should not be the beginning of a global competition for subsidies but only a unique opportunity for self-help"

In the view of Handelsblatt, "the state must avoid passing the buck to other generations, and it must set clear economic priorities.

First of all, state subsidies should not keep alive companies that are no longer competitive. One yardstick must be whether such companies will be able to repay state subsidies. Only one of the three car manufacturers in the United States will be able to survive in the long run. That is why it would be economically reasonable to use these subsidies to initiate the liquidation of unprofitable companies and cushion off the painful adjustment to these developments for the workers."

#### 14. (EU-Russia) Energy Policy, Partnership Agreement

Financial Times Deutschland argued: "In view of the geo-political reality it is totally correct that the European Union is now giving up its principle [to transfer the concept of liberalization and anti-trust regulations to third countries]. Russia, the most important natural gas supplier for the EU, has consistently refused to accept common rules. The fact that [the EU] is now at least trying to counter the monopolist from the East with its own activities, shows that a more realistic view on Russia is gaining the upper hand in the EU. In a naive way, the Europeans had hoped that they could include principles of its energy charter in the planned partnership agreement with Moscow. But obviously, it has now bidden fare well to this illusion."

Frankfurter Allgemeine commented: "With the exception of Lithuania - even Poland was persuaded--all EU member states are in favor of continuing the negotiations. This is a gesture of reaching out, not one that rewards Russia. It is in the interest of all EU countries to put the relationship with Russia on a contractual basis."

Süddeutsche commented: "The fact is that the conditions Brussels set for Russia have not been met - withdrawal to the borders before August 7. Some 8,000 Russian soldiers are still in Abkhazia and South Ossetia. But at the end of the day, something else really matters. Europe wants more energy security, and it wants to speak with one voice to Russia to avoid a split up into bilateral conflicts of interests.... Everybody, including Russia, will finally benefit from the partnership agreement."

#### 15. (U.S.-Afghanistan) Future Policy

Frankfurter Allgemeine Zeitung assumed that the Afghanistan conflict will soon help cool down the enthusiasm in Europe about Barack Obama. "Even if he is likely to choose a different approach next year, he will send more soldiers to Afghanistan and demand the same from the Europeans," the daily wrote, and concluded: "Obama should not raise demands and his partners should not come up with their defensive reflex right at the start. But obviously, this reflex functions even without Bush."

#### 16. (U.S.-EU) Future Cooperation

Süddeutsche commented: "The world needs new tools and a new understanding of cooperation. Europe has both things on offer, and Obama's America is ready for change. Europe's moment has come if Europeans quickly agree on how they see their future with America."

Die Welt editorialized: "The conditions for reviving the

transatlantic relationship have not been so good for a long time. Obama enjoys European bonus of trust and, with the triumvirate of Merkel, Sarkozy and Brown, he will deal with the most pro-American team in decades. Given this unique situation, both sides of the Atlantic must take action."

#### 17. (Mideast) Peace Process

Under the headline "Annapolis is dead," Sddeutsche commented: "This was a first-class funeral: During the recent Mideast meeting in Egypt's Sharm el-Sheik, Secretary Rice called on Israelis, Palestinians and all Mideast brokers to continue the 'Annapolis peace process' under the next government. This sounded great but it is not worth anything because President-elect Obama and other representatives of the Mideast Quartet will ask themselves what it is they could continue. Looking at it in a sober light, there is not much [that can be continued.] The Israelis negotiated with a Palestinian government that represented only half of the people. The Palestinians negotiated with an Israeli government whose power was limited because of its domestic problems. Neither the Palestinians nor the Israeli government could therefore have implemented any peace solution."

#### 18. (U.S.) Obama Presidency

According to Tagesspiegel, "the United States has currently a de facto dual presidency. George W. Bush has the formal power until January 20, but Barack Obama is already grabbing for political power. The headlines focus on him, and Bush is about to leave office. On the pictures we saw from the first visit of the future president to the White House, Obama seemed to lead the former one and not vice versa. Obama's pace is unprecedented, and he wants to use the impetus of the election to consolidate his image. But expectation management is as important these days as the preparation for taking over power. When it comes to Iraq, one no longer talks about a total withdrawal from Iraq but on halving the U.S. forces in the coming years. In Afghanistan, the talk no longer focuses on a quick increase in forces but on the search for a new strategy. But the overwhelming issue remains the economy. Obama is still up in the air for ten more weeks, only then will he be the sole president."

#### 19. (Africa) Congo Violence

In the view of Frankfurter Allgemeine Zeitung, "the Africans are unable to resolve the conflict in eastern Congo on their own. One reason why African crisis management is so meager is that some important actors simply lack the will to strive for a non-violent solution. The meeting between Congolese President Kabila and Rwanda's President Kagame lasted just five minutes. At the same time, UN observers have recognized the first Angolans who are active on the side of the [Congolese] army. It was right that the German government and its European partners send a military mission to Congo, arguing that the region would be decisive for creating a 'zone of stability' in Central Africa. But nothing remains of this hope today. But the time of telephone diplomacy and debates over whether the Africans should take care of this crisis by themselves is over. There is still a chance to prevent new war crimes instead of dealing with them years later in The Hague."

#### 10. (Burma) Punishment Of Dissidents

Berliner Zeitung opined: "On Tuesday, Burma's generals obviously returned to their former die-hard course and sentenced 23 Burmese to long term imprisonments. Only a camp such as the one in Guantnamo, where the United States keeps prisoners for many years without a trial, can serve as a comparison. These questionable and inhuman verdicts make clear one thing: democratization such as the generals understand it, does not offer room for different opinions. With George W. Bush's departure, the oppressed Burmese will lose one of their most prominent advocates: Laura Bush. But there have never been more than a few pithy words and more or less ineffective sanctions. The Burmese have known for a long time that they cannot expect help from abroad. And the barbaric verdicts from Tuesday can now even break the last will of resistance in the country."